

**UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

NORTHSTAR MSP, INC.,

Plaintiff,

Civil No.

v.

**COMPLAINT
(JURY TRIAL DEMANDED)**

UNITED STATES OF AMERICA

Defendant.

Plaintiff, NORTHSTAR MSP, INC. ("NORTHSTAR"), through its attorney, Peter Milinkovich, 333 Washington Avenue North, Suite 306, Minneapolis, Minnesota 55401, states and alleges as follows:

INTRODUCTION

1. This is an action for refund of the penalty for filing tax return(s) after the due date, the penalty for late payment of tax and the federal tax deposit penalty assessed against the plaintiff by the Commissioner of the Internal Revenue Service (the "Commissioner") pursuant to 26 U.S.C. sections 6651(a)(1), 6651(a)(2) and 6656.

PARTIES

2. Plaintiff is a Minnesota Corporation with its principal place of business at

10800 Lyndale Avenue South, Suite 275, Bloomington, Minnesota 55420.

3. Defendant is the Commissioner of the Internal Revenue Service, an officer of the United States Government.

JURISDICTION

4. Jurisdiction of this Court rests on 26 U.S.C. Section 7422, Civil Actions for Refund. Pursuant thereto, plaintiff has timely filed two claims for refund with the Commissioner on the prescribed forms and at the designated locations, copies of which are attached hereto as Exhibit A. More than six months have elapsed and the Commissioner has either denied the claim or has taken no action with respect to the plaintiff's claim for refund.

FACTS

5. The plaintiff filed Form 941, for the periods ending September 30, 2007 and December 31, 2007 after the time prescribed by law for said filing. Further, amounts required to be deposited and paid for said periods were paid after the time prescribed for said payment. However, said late filing, late deposits and late payment were due to reasonable cause for which the penalties should be abated pursuant to 26 U.S.C. Sections 6664(c) and 6724.

6. Plaintiff is a fire protection subcontractor involved in large commercial real estate projects. .

7. Due to factors beyond the control of plaintiff, during the period in question, plaintiff was not timely paid under its contracts with respect to four separate projects thus initiating a cash flow crisis which prevented plaintiff from timely paying its payroll

obligations.

8. Simultaneous therewith, the Internal Revenue Service, through its Revenue Officer, Frederic Sederholm, initiated collection activity with the plaintiff, including, but not limited to, a written statement that he was going to “file the tax returns for you under section 6020(b)” and the reallocation of previously made payments from one tax period to another.

9. The activities of the Revenue Officer contributed to, or were the direct cause of, some or all of the penalties assessed by the Commissioner.

10. Plaintiff has exhausted all administrative remedies. Further, all penalties have been paid in full.

RELIEF

WHEREFORE, plaintiff NORTHSTAR MSP, INC. respectfully requests that the Court enter judgment in its favor as follows:

1. Awarding the plaintiff a refund of all amounts paid as penalties assessed pursuant to 26 U.S.C. sections 6651(a)(1), 6651(a)(2) and 6656, including interest paid on said penalties;

2. Awarding the plaintiff costs and attorney's fees pursuant to 26 U.S.C. Section 7430;

3. Awarding the plaintiff such other and further relief as the Court deems just and proper.

Date: 4/14/11

Peter L. Milinkovich, Ltd.

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